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AUG 28 1991

August 28, 1991

Ms. Donna Searcy, *Secretary*
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Federal Communications Commission
Office of the Secretary

EX PARTE OR LATE FILED

Re: NARUC EX PARTE COMMENTS - Two Copies Filed In Each of the following proceedings:

In the Matter of National Exchange Carrier Association, Inc. Request for Rule Change Concerning the Composition of its Board of Directors - Docket No. RM 7736

In the Matter of National Exchange Carrier Association, Inc. Petition for Waiver of Section 69.602 of the FCC's Rules Regarding Board of Directors - AAD 91-28

In the Matter of NECA Administration of LEC Interstate Access Revenue Pools (NARUC's January 27, 1991 Petition for Rulemaking) - Undocketed

Regarding FCC's November 9, 1990 letter to NECA listing Audit Requirements - FCC 90-387(38055)

Dear Ms. Searcy:

On May 24, 1991, the National Exchange Carrier Association, Inc. ("NECA") filed (1) in the Docket No. AAD 91-28 proceeding, a request for a waiver of 47 C.F.R. Section 69.602 to permit inclusion of two outside directors in the nominations for directors to be elected for calendar year 1992, and (2) in the RM 7736 proceedings, a companion request to amend the Commission's rules to add two outside directors to the NECA Board effective January 1, 1992.

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*Member of the Executive Committee of the Association.

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Previously, on January 27, 1991, NARUC filed a "PETITION FOR RULEMAKING ADDRESSING ADMINISTRATION OF FEDERAL ACCESS CHARGE PROGRAM-RELATED LEC INTERSTATE POOL", asking the FCC to initiate a notice of inquiry and rulemaking to "...determine how best to administer the national interstate pools in conjunction with the federal access charge program for all Local Exchange Carriers (LECs) that elect to participate and other support programs to further the goal of universal service." See, **NARUC Resolution Regarding NECA**, Sponsored by NARUC's Communications Committee, Adopted by the Executive Committee November 15, 1990, NARUC Bulletin No. 47-1990 at 11 (November 19, 1990).

In that petition, NARUC specifically encouraged "...the FCC to proceed with its proposal to appoint non-LEC individuals to the NECA Board of Directors to provide an independent view and a moderating effect on NECA deliberations." NARUC Petition at 5.

In accordance with its January petition and the November 15, 1990 Resolution, NARUC filed initial comments in both of the above-captioned proceedings generally supporting NECA's requests.

Subsequently, at its July 1991 meeting, NARUC adopted another resolution which provided additional information on NARUC positions relevant to this proceeding.

Accordingly, I am, pursuant to 47 C.F.R.1.1206(1), submitting, for the record, eight copies of this letter - two for each of the above captioned proceedings. I have attached a copy of the July Resolution Regarding NECA Expansion of the Board and Audit Results.

There are a few aspects of the resolution that I would like to call to the FCC's attention. Specifically, the July Resolution does the following:

1. Endorses the proposed appointment of two OR MORE non-LEC board members and thus supports NECA's AAD 91-28 petition for a temporary waiver;
2. DOES NOT SUPPORT the requested permanent rule change UNTIL the results of the FCC-required audits are made publicly available and State regulators have adequate opportunity to review the results and access the need for additional remedial measures;
3. Asks the FCC to make NECA's report on the independent audits available to the public as expeditiously as practicable;

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4. Suggests a post-audit report meeting between the FCC staff and a NARUC spokesman, after an adequate time for review of the report, to discuss that report and other issues concerning the administration of the national interstate pools and support programs.

NARUC respectfully requests that the Commission carefully examine and implement the proposals and requests described in this letter and the attached resolution.

Respectfully submitted,



James Bradford Ramsay
Deputy Assistant General Counsel

cc: Chairman Alfred C. Sikes
 Commissioner James H. Quello
 Commissioner Andrew C. Barrett
 Commissioner Sherrie P. Marshall
 Commissioner Ervin S. Duggan

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Resolution Regarding NARUC's Response of the Board and Staff's Request

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WHEREAS, In RM 7736, NECA has asked for a permanent change in
the rules to add two non-FEC members to its board of directors: